

A bipartisan bill introduced in the House of Representatives on Friday would extend for two years the higher loan limits on mortgages backed by the federal government.

The higher limits, which vary by region, currently peak at \$729,750 for single-family homes in the most expensive parts of the country. If Congress does not pass the bill, the maximum mortgage amount will drop to \$625,500 on October 1, although the limit will vary in some parts of the country.

**Representative John Campbell**, a California Republican, and Gary Ackerman, a New York Democrat, unveiled the bill that maintains the 2008 loan levels for Fannie Mae, Freddie Mac and the Federal Housing Administration for an additional two years.

Congress raised the conforming loans limits in 2008 to allow the so-called government-sponsored enterprises to insure, guarantee and buy more mortgages during a time when private funding froze during the financial crisis.

The GSEs now back more than 85 percent of all U.S. residential mortgages in some way.

**"This will not only help to stabilize home prices, but would also provide for continued recovery in the broader economy," Campbell said in a statement.**

**Campbell** has previously worked with another Democratic member of the House Financial Services Committee, Representatives Gary Peters of Michigan, on an effort to reform Fannie and Freddie by replacing them with at least five private companies.